

# Labour Market Information Monthly

## What is Apprenticeship?

Apprenticeship is a vital, long-standing part of the training and education system in Canada and around the world.

In New Brunswick, apprenticeship is a structured program that requires the committed participation of three partners: the apprentice, the employer and the government represented by Apprenticeship and Certification. A successful apprenticeship depends on all partners meeting their individual responsibilities.

An apprenticeship program is comprised of progressive on-the-job training as well as technical (in-school) training that culminates in recognized certification. About 80 percent of an apprentice's training takes place on the job; the remaining 20 percent involves technical training at a post-secondary training establishment.

The required hours of training for each occupation/trade are defined by regulation under the Apprenticeship and Occupational Certification Act. On-the-job training is done at the employer's place of business where the apprentice performs progressively challenging prescribed tasks under the supervision of a journeyman. A Progress Record Book identifies the tasks that must be performed on the job by the apprentice. The Progress Record Book also records the progress of the apprentice through the apprenticeship program.

Qualified instructors provide the technical training. In most instances, depending on the apprentice's occupation/trade, this training is provided at one of 11 New Brunswick Community Colleges.

At the end of the apprenticeship program, the apprentice is required to write the final examination. Upon the successful completion of this examination and by satisfying all other requirements of the apprenticeship agreement, the apprentice will be issued a Diploma of Apprenticeship and a Certificate of Qualification, both signifying journeyman status. These documents are recognized across Canada.

For more information please visit: <http://www.qnb.ca/post-secondary>.

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### *This Month:*

- *What is Apprenticeship?*



- *Economic Highlights for January 2009*



- *Labour Force Statistics for December 2008*



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## 2009 Outlook: A World of Challenges

Outlook produced by the BMO Capital Markets Economics Department

With most major economies in a downturn, and global leading indicators still pointing lower, it seems almost a foregone conclusion that recessionary forces will dominate the landscape in 2009. It will take a massive effort from the world's economic policymakers to pull the global economy out of this ditch. But, with the additional stimulus we are likely to see in coming months on top of the wave of earlier measures, the economy should bottom out around the middle of 2009, followed by a sluggish recovery in the second half and moderate growth in 2010. Below is a summary of BMO's key forecasts for next year along with some critical risk areas.

### *The U.S. Economy*

The recession is a year old and deepening. Job losses are accelerating, causing consumers to cut spending at the fastest clip in three decades. Homebuilding has plunged to record lows, but house prices are still falling as rising foreclosures add to the overhang of unsold homes. Consumers are paying down debt for the first time in half a century and rebuilding savings amid an unprecedented loss of wealth (about \$10 trillion) in the past year. Commercial construction is contracting amid tighter credit and rising vacancy rates. Once-strong exports are sagging as global growth suffers. The decline in both domestic and external demand has American businesses cutting back production and investment. The current recession should be the longest in the post-war era, at almost two years, and among the deepest, with nearly four million job losses. Real GDP is expected to contract 2.3% in 2009, lifting the jobless rate to 9% by year-end, the highest since 1983 and nearly five percentage points above the 2007 low. Economic slack and collapsing commodity prices will drive CPI inflation negative through most of next year. Core inflation should slip below 1% from 2% now. To stem deflation, the Fed and Administration will need to prime the policy pumps. Government spending could be the only expenditure area to expand next year. We are assuming that the Obama stimulus plan will contain upwards of \$700 billion (5% of GDP), split between spending on infrastructure, aid to the states and the unemployed, employee tax credits, foreclosure prevention programs and industry support. With assists from rising purchasing power and improving housing affordability, the U.S. economy should start to recover, albeit slowly, late in the year.

### *Global Outlook*

The credit crisis originated in the U.S., but its tentacles span the globe. Economies in North America, Europe and Japan will all contract in 2009. The weakness has rippled to emerging markets. Global GDP is expected to slow to 1% next year, the slowest since 1982.

The early part of 2009 will see weakness on all fronts. European fiscal stimulus remains uncertain and interest rate cuts were enacted late and have been modest. Accordingly, the Euro zone will lag other developed countries when conditions improve in the second half of the year. Britain faces a similarly deep downturn as the U.S., with its high exposure to the global financial sector, and with credit conditions likely to remain tight. Significant monetary easing and some fiscal stimulus should help the economy emerge from recession late in 2009. In Japan, exports have fallen sharply and renewed weakness in domestic demand has pushed the economy into recession. China has also thrived on export growth over the past years. But, with demand contracting globally and exports sliding in recent months, China is moving aggressively. The US\$586 Billion fiscal

### *The Canadian Economy*

Canada has been hit by the one-two combination of a deep drop in U.S. spending and the collapse of commodity prices from their record highs in mid-2008. In addition, previously robust domestic demand has been undercut by sagging consumer and business confidence in the face of the vicious bear market in equities, tighter credit conditions, and a weaker housing market. Capital spending plans in the resource sector have been reeled in by the sudden drop in commodity prices. The deep drop in the Canadian dollar has slightly cushioned the blow, as have aggressive Bank of Canada rate cuts, and fiscal policy is poised to provide some additional support next year. Even so, we now look for GDP to drop 1.3% in 2009 (with three negative quarters, and a peak-to-trough drop of just over 2%). This will drive the unemployment rate up to nearly 8% by year-end (from 6.3% now), and is likely to see inflation average just 0.5% for the year (with a temporary dip into negative terrain in view). This ugly backdrop is likely to push both the current account and Ottawa's budget balance into double-digit deficits next year, ending Canada's long string of twin surpluses.

stimulus package should give growth a lift in 2009, but a return to the double-digit pace of earlier this decade is likely awhile away. Even 7% growth next year may be a struggle.

The commodity outlook hinges on global prospects, and will therefore remain under pressure for much of 2009. With China and India's commodity appetite slowing, and industrial world demand contracting, prices should remain muted, and may fall further early in 2009. However, once the global outlook brightens, even slightly, commodities could start to creep higher, pointing to a better second half of the year and 2010.

### Provincial Implications

At the regional level, no Canadian province will be fully sheltered from the downturn. Central Canada faces the deepest recession as manufacturing remains under siege—most obviously autos—amid weak U.S. demand. Real GDP in Ontario will likely contract for the first time since 1991 by more than 2% in 2009, the worst performance in Canada, largely the result of stalled auto production and ensuing job losses in the sector. The outlook for Western Canada has also deteriorated after five years of unbridled growth, and a small overall contraction is expected in 2009. With oil falling below \$40, cancellation and delays of marginal oil sands projects have mushroomed. Tighter lending standards and declining confidence will weigh further on Western housing markets. B.C. home prices have registered the sharpest annual decline since the early-80s as sales plunge, posing further downside risk to construction activity. Atlantic Canada's outlook is mixed. Capital investment projects have boosted domestic demand, but the region can't escape the force of a deep U.S. downturn, which should hold growth rates near zero next year. All told, the regional disparity that has seen the West outperform appears to have crested, and should close when Central Canada rebounds in 2010.

In response to the downturn, provincial governments are eyeing an array of fiscal stimulus measures, ranging from tax cuts to infrastructure spending. These actions, combined with weak economies and sharply lower commodity prices, will weigh on budget balances—Ontario, New Brunswick and PEI have already projected red ink for FY2008/09, and many more will follow next year.

### Risks

Forecasts of economic recovery in late 2009 rest on the back of monetary and fiscal stimulus. Signposts of a U.S. economic recovery include a stabilization in house prices and a decline in record-wide credit spreads. However, if monetary policy remains impotent (due to still-frozen credit markets) or fiscal stimulus is delayed, the U.S. and Canadian recessions would likely deepen, with a recovery pushed into 2010. The risks of a prolonged recession and potential deflation would increase if U.S. equity prices breached their November lows. Further, with 12 million U.S. homeowners already underwater on their mortgage, a substantial further decline in home prices could unleash another wave of foreclosures. A worsening recession would increase consumer defaults and hammer the commercial real estate sector, putting further strain on the global financial system. In this event, commodity prices would fall further, driving resource-based regions and currencies sharply lower. Meantime, a ballooning U.S. bailout bill could cause investors to question the long-term safety of Treasuries, resulting in a U.S. dollar sell-off. The developing world, notably China, is showing greater vulnerability to the global downturn than widely expected, suggesting the potential for a worse outcome. For optimists, the unprecedented policy response to date on the monetary side, and to come on the fiscal side, implies some risk of a stronger-than-expected recovery. In this event, given the extreme pessimism already priced into markets, stocks and corporate bonds could rally meaningfully next year.

<http://www.bmonesbittburns.com/economics/>

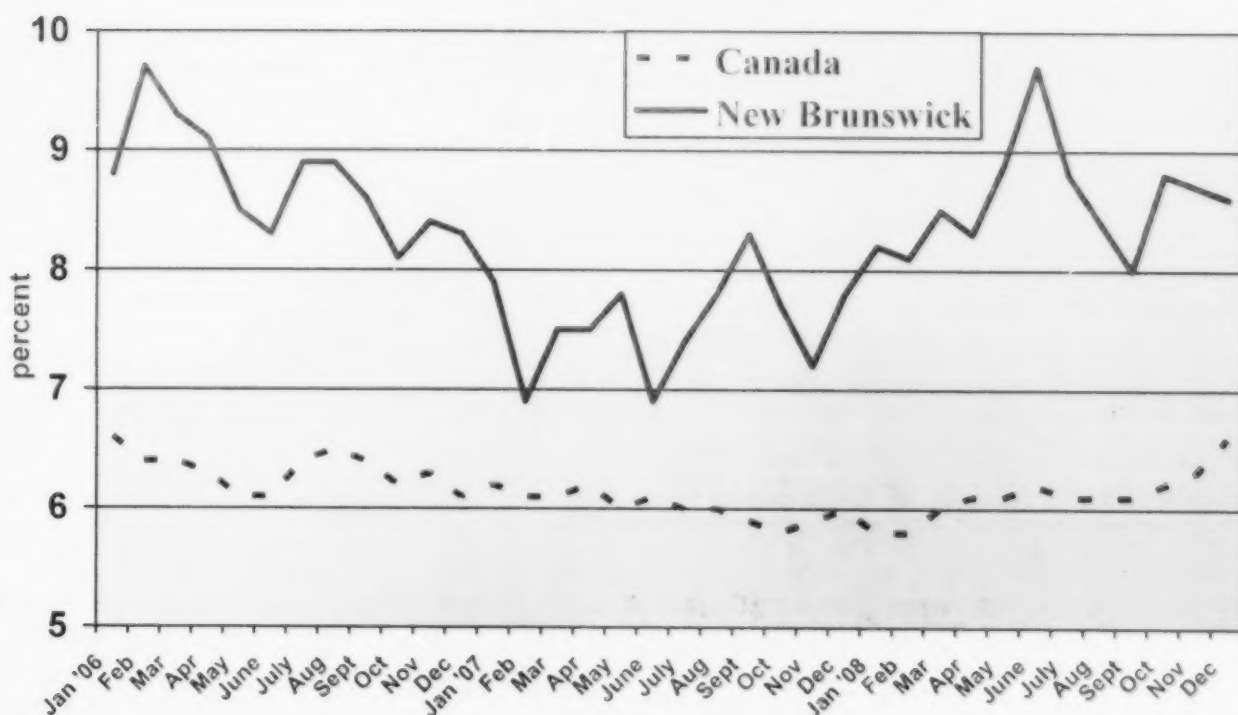


## Labour Force Statistics for December 2008

### Canada and the Provinces

In December, Canada's unemployment rate was 6.6%, 0.3 of a percentage point higher than last month, and 0.6 of a percentage point higher than the same time last year. New Brunswick's rate of 8.6% was 0.1 of a percentage point lower than last month but 0.8 of a percentage point higher than the same time last year, when it stood at 7.8%

### UNEMPLOYMENT RATES Canada and New Brunswick

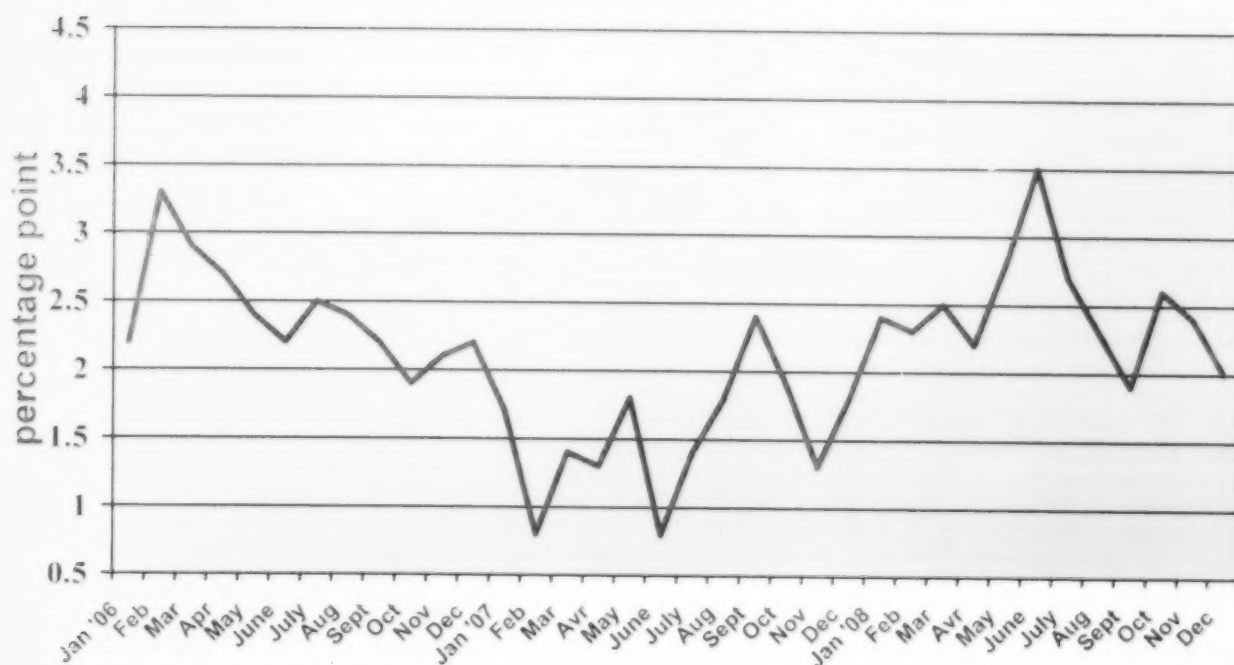


Source: Statistics Canada Labour Force Survey

## Canada and the Provinces

The gap between the national and provincial rates was 2.0 percentage points in December

### DIFFERENCE IN UNEMPLOYMENT RATES Canada and New Brunswick



Source: Statistics Canada Labour Force Survey

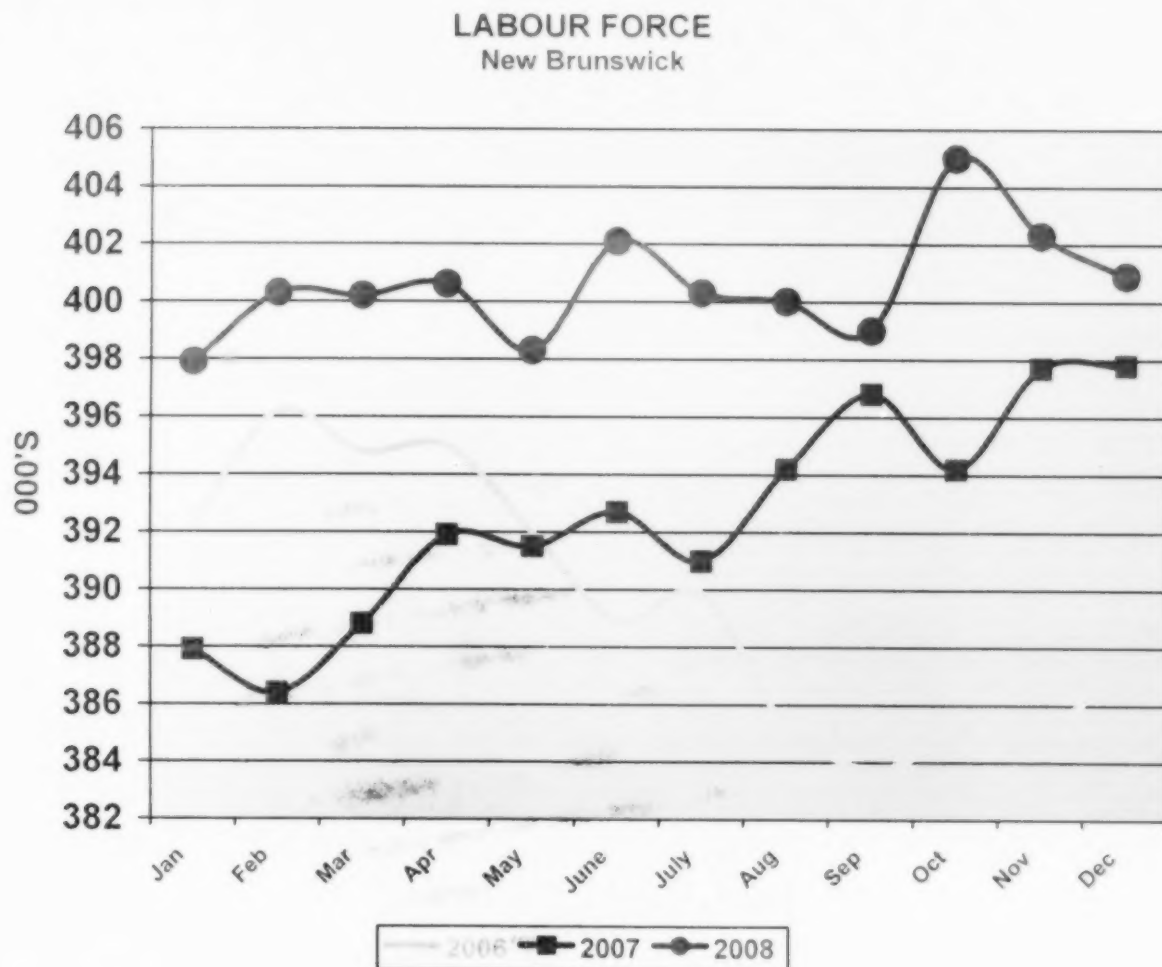
Statistics Canada's website has been converted to <http://www.statcan.gc.ca> in order to comply with Treasury Board of Canada Secretariat's Common Look and Feel Standards for the Internet. The website has a whole new look but the quality of content has not changed. Please note that you will need to update your links and bookmarks.

**WWW.STATSCAN.GC.CA**

## Labour Force Statistics for New Brunswick

### Labour Force

New Brunswick's labour force stood at 400 900 in December. This represented a decrease of 1 000 over last month but represented an increase of 3 100 over the same time last year.



Source: Statistics Canada Labour Force Survey

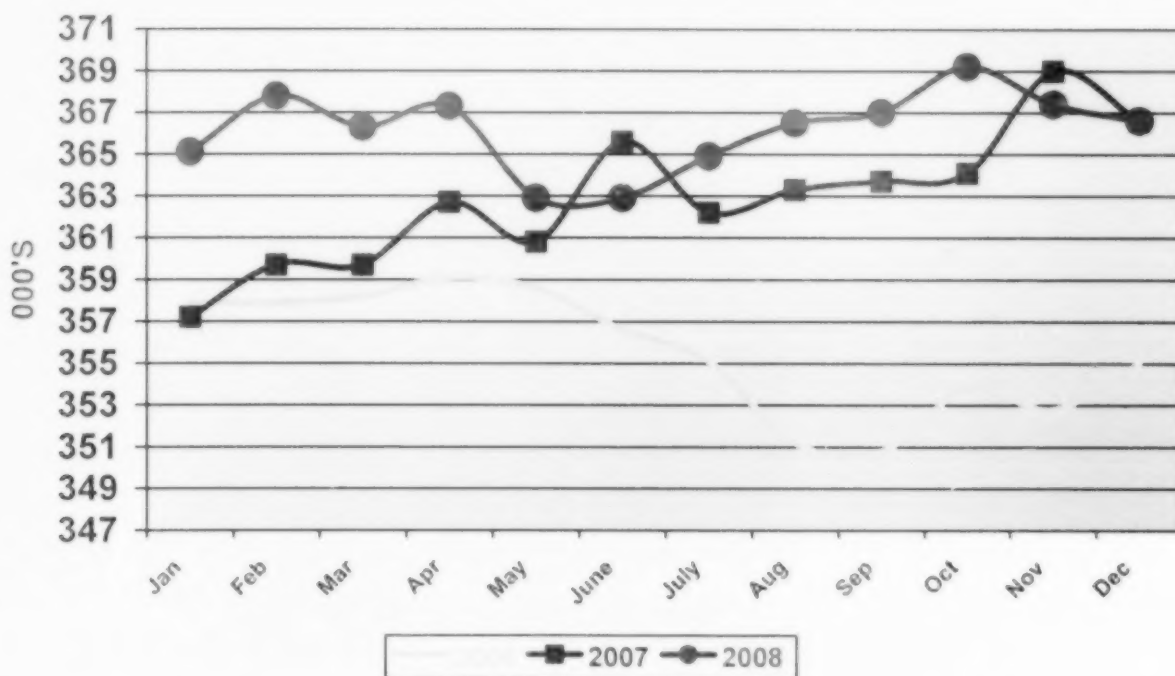


## Labour Force Statistics for New Brunswick

### Employment

There were 366 600 people working in December. This represented a decrease of 800 over last month but was unchanged over the same period last year. The year-over-year employment growth was 0.0%, compared to the national growth of +0.6%.

### EMPLOYMENT New Brunswick



Source: Statistics Canada Labour Force Survey

Please visit our Labour Market Information Products available online.

<http://www.gnb.ca/labour>

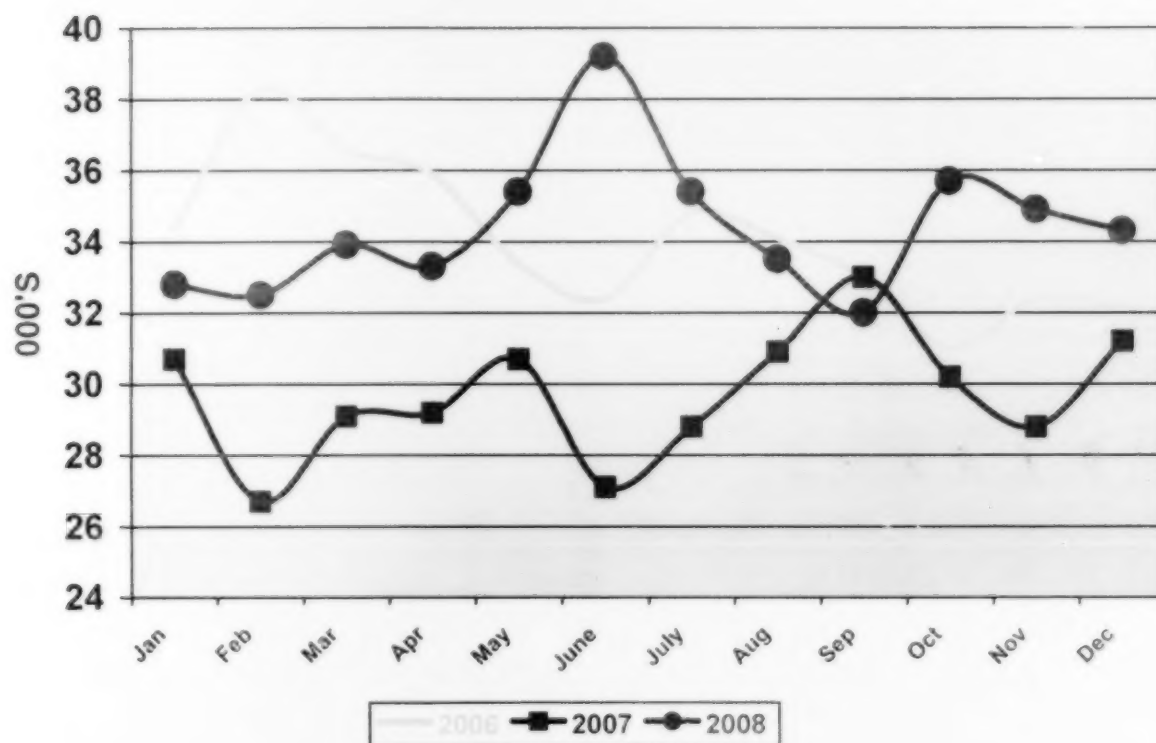
**Post-Secondary Education, Training and Labour**

## Labour Force Statistics for New Brunswick

### Unemployment

There were 34 300 people unemployed and seeking work in December. This is 600 less people than what was recorded last month but is 3 100 more compared to the same period last year.

### UNEMPLOYMENT New Brunswick



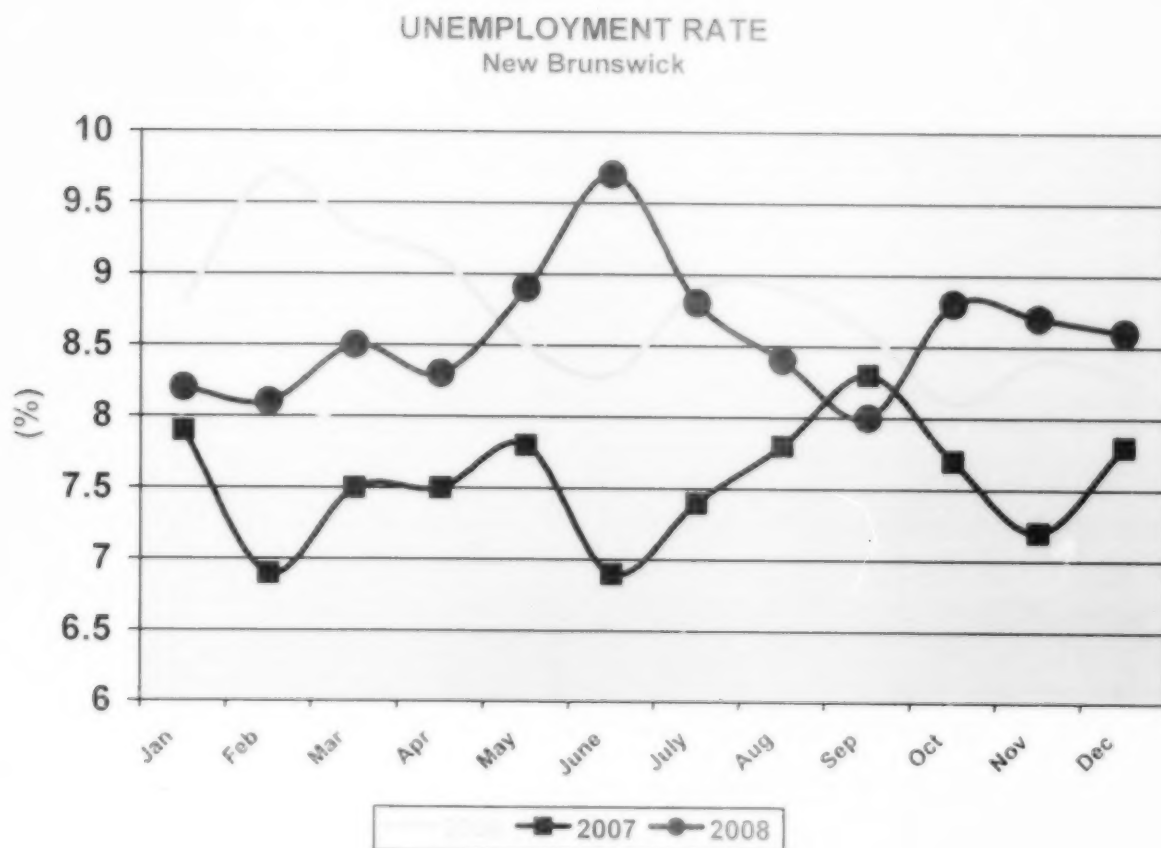
Source: Statistics Canada Labour Force Survey



## Labour Force Statistics for New Brunswick

### Unemployment Rate

New Brunswick's unemployment rate of 8.6% was 0.1 of a percentage point lower than last month but was 0.8 of a percentage point higher than the same time last year



Source: Statistics Canada Labour Force Survey

## Labour Force Statistics for New Brunswick

### Regional Information

Statistics Canada reports labour force statistics for the economic regions\* as three month moving averages of actual (not seasonally adjusted) data\*\*

| Labour Force Statistics for Economic Regions |           |           |           |         |           |
|--|-----------|-----------|-----------|---------|-----------|
| December '08                                 | Northeast | Southeast | Southwest | Central | Northwest |
| Labour Force (000)                           | 74.9      | 113.9     | 94.3      | 71.0    | 43.8      |
| Employment (000)                             | 62.7      | 107.6     | 88.3      | 67.0    | 40.0      |
| Unemployment (000)                           | 12.2      | 6.3       | 6.0       | 4.0     | 3.8       |
| Unemployment Rate (%)                        | 16.3      | 5.5       | 6.4       | 5.6     | 8.7       |

Source: Statistics Canada Labour Force Survey

| Employment by Economic Regions (000's) |        |              |              |              |
|--|--------|--------------|--------------|--------------|
|  | YTD*** | December '08 | November '08 | December '07 |
| Northeast                              | 68.5   | 62.7         | 67.0         | 67.5         |
| Southeast                              | 103.7  | 107.6        | 107.6        | 100.9        |
| Southwest                              | 88.1   | 88.3         | 87.6         | 91.3         |
| Central                                | 67.1   | 67.0         | 67.1         | 66.2         |
| Northwest                              | 38.8   | 40.0         | 40.3         | 38.4         |

Source: Statistics Canada Labour Force Survey

In December of 2008 compared to December of 2007, employment increased in the Southeast (+6 700), Northwest (+1 600) and Central (+800) regions while employment decreased in the Northeast (-4 800) and Southwest (-3 000) economic regions

\* The five economic regions are: Northeast (Restigouche, Gloucester and Northumberland counties), Southeast (Kent, Westmorland and Albert counties), Southwest (Kings, Saint John and Charlotte counties), Central (Queens, Sunbury and York counties) and Northwest (Carleton, Victoria and Madawaska counties)

\*\* Regional figures cannot be directly compared with the data for the province as a whole unless that data are also reported as three month moving averages of actual data. This manipulation of the data has the effect of smoothing out monthly variations, making it easier to see longer term trends

\*\*\* Year-to-Date



Applications are now available from the Student Employment and Experience Development (SEED) program for students looking for summer employment in New Brunswick. For more information on SEED and other employment programs and services for students, visit the Employment Development website:

<http://www.qnb.ca/training>

## New Brunswick Industry Analysis

Employment growth on a year-over-year basis was strongest in the following sectors:

**Agriculture (23.0%)** – In December of 2008 there were approximately 7,500 people employed in this sector. This is the fourth month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in only 10 of those months.

**Utilities (20.0)** – In December of 2008 there were approximately 4,800 people employed in this sector. This is the eleventh month in a row where we have experienced year-over-year growth in this sector. Over the last 24 months this sector has recorded year-over-year employment gains 22 times. This growth may be attributed to the growing number of investments being made in the energy sector in the province, particularly the Point Lepreau refurbishment. This is the first month that employment has dipped below the 5,000 mark; this sector just recently set a record for staying above the 5,000 mark for eight consecutive months, something that hasn't happened in modern records (which date back to January 1976).

**Public Administration (19.7%)** – In December of 2008 there were approximately 27,900 people employed in this sector. This is the sixteenth month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year (the last 14 months can be considered significantly stronger). Over the last 24 months, employment was stronger on a year-over-year basis in 16 of those months. This suggests that all levels of government in NB continue to have confidence in the prospects for the future of the province, however, the deteriorating fiscal position being brought on by the downturn in the global economy will limit growth in this sector going forward.

**Educational Services (14.8%)** – In December of 2008 there were approximately 29,500 people employed in this sector. This is the third month in a row where the monthly employment level recorded was stronger than the equivalent month of the previous year (this is the first month that can be considered significantly stronger). Over the last 24 months, employment was stronger on a year-over-year basis in only 8 of those months. Given the high priority this government places on education, this may suggest that declining enrolments as a result of demographic shifts is having an impact on employment in this province.

Employment was weaker on a year over year basis in the following sectors:

**Forestry, Fishing, Mining, Oil and Gas (-18.1%)** – In August of 2008 there were approximately 9,500 people employed in this sector. This is the third month in a row where the monthly employment level recorded was the same or weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in 19 of those months. This is the first time in 24 months that employment dropped below the 10,000 mark. This new round of employment weakness may be attributed to the sudden decrease in mining activity that has been spurred by the sudden decline in world commodities prices.

**Other Services (-14.2%)** – In December of 2008 there were approximately 15,100 people employed in this sector. This is the seventh month in a row where the monthly employment level recorded was weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in only 8 of those months. Therefore, this sector is showing definite signs of employment weakness.

**Manufacturing (-8.7%)** – In December of 2008 there were approximately 33,500 people employed in this sector. This is the third month in a row where the monthly employment level recorded was weaker than the equivalent month of the previous year. Over the last 24 months, employment was stronger on a year-over-year basis in only ten of those months (6 coming in the first 6 months of 2007). This is only the fourth time (monthly) that employment has dipped below the 34,000 mark in the last 10 years; this suggests that this sector is showing significant signs of employment weakness, which is not surprising given the state of world markets.

